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SUBJECT: US POLICY ON IRAQ; VENEZUELA; 01/11/07; BUENOS AIRES

1. SUMMARY STATEMENT

Today's leading stories include US President Bush's decision to send more troops to Iraq; the implications of Venezuelan President Hugo Chavez's announced nationalization of telecommunications and utility corporations; and the Argentine Government's reaction to Chavez's announcements.

2. OPINION PIECES

- "Alone and against the tide"

Paula Lugones, international columnist of leading "Clarín," writes (01/11) "It is as if nothing has happened. It is as if last November 7 an overwhelming number of Americans supported his policies. George W. Bush does not care about anything - with a scary stubbornness or deafness, the (US) President continues rowing against the tide.

"His 'new' plan on Iraq does not have anything new and only satisfies a number of neo-conservative government officials and some hawks on Capitol Hill, but no one else.

"Firstly, Bush turned his back on the huge majority of Americans who repudiated his strategy in Iraq in November elections. He did not take into account the outcome of recent opinion polls, according to which two-thirds of US citizens are against an increase in the number of (US) troops (in Iraq).

"(Bush) is also at odds with the (US) Pentagon's opinion, which has let him know that sending more troops will not resolve the violent situation in the Persian Gulf...

"The Iraqi authorities are not pleased either with his decision to send more troops...

"Finally, Bush overlooked the main recommendations from the bipartisan committee presided over by James Baker...

"The White House says that its strategy consists in 'increasing (the number of troops) and then reducing.' However, Bush's bet is highly risky - this time, he is absolutely alone."

- "2007: danger lies ahead"

James Neilson, contributor to liberal, English-language "Buenos Aires Herald," writes (01/11) "Economics may be the dismal science..., but these days most of its practitioners sound positively cheerful, what with the IMF predicting that the planet's gross product will keep growing by about five percent a year and the so-called emerging countries... averaging up to seven percent. Unfortunately, the rosy scenario they paint could change overnight if, as seems all too likely, the Middle East blows up.

"... Were the US a more cynical superpower, the prospect of a sectarian war throughout the Middle East... would be considered acceptable as long as oil supplies could be secured, but its moralistic culture would prevent it from trying to take advantage of the resulting chaos. In any event, pleasing though a US failure in Iraq would be to many, the price for it would be paid not only by the Iraqis but also by other Middle Easterners, Europeans and Americans both North and South."

- "Discipline"

Telma Luzzani, international columnist of leading "Clarín," writes (01/11) "The 'Chavez effect' on the market only lasted 24 hours. Today, the stock exchange went up again and irritation was clearly seen in the political field..."

"Is there any possibility that the nationalization policy promoted by Chavez will be contagious? This seems to be the fear behind the strong 'blows' to Chavez from the Argentine opposition as well as the Brazilian newspapers expressing the interests of powerful Brazilian financial and industrial sectors."

"According to an opposition analyst, it is strange that the re-nationalization of a company 'that has always been owned by the State and was privatized in 1991 is not as disconcerting in Venezuela as unrestricted re-election or other proposals.'"

"Objectively, Chavez' measure has no impact on Argentina or Brazil's politics and economy. The opposition reaction seems rather a warning for Lula and Kirchner not to digress too much from the discipline set by the market."

- "The rise of a serious enemy"

Daily-of-record "La Nación" front-pages an opinion piece by historian Carlos Escud, who opines (01/11) "Hugo Chavez is no longer an extravagant leader and has become a serious enemy, or, at least, more serious than in the past..."

"... With the money of his people, Chavez exported populism to an unprecedented extent. His failed attempt to obtain a seat at the UN Security Council made him promise to purchase all the excess cotton from countries like Benin and Mali... thus securing some African votes. He also bought Russia and China's votes, but it was not enough... However, he did well in some cases, as in the recent Nicaraguan presidential elections, in which he bet on Daniel Ortega and succeeded."

"... Chavez subsidizes the Bolivia of Evo Morales as he does with his favorite Cuba ..."

"His strategy is attractive and has served Venezuela well; if rejected by the Venezuelan people, Chavez would not have been able to obtain 63 percent of votes in the December elections."

"... However, this policy serves no one but Chavez and with it, Venezuela is missing the greatest opportunity in history to provide a better future for its people."

- "Neither avant-garde nor a substitute"

Left-of-center "Pagina 12" carries an opinion piece by columnist Dario Pignotti, who writes (01/1) "... In spite of Chavez's secured popularity, who has won the ten elections and referenda held during his term in office, his supporters acknowledge that such an ambitious undertaking as laying the groundwork for a new political model cannot rest on the shoulders of just one man."

"Even Heinz Dieterich himself, mentor of the notion of '21st century socialism', pointed out more than a year ago that the president's excessive accumulation of power is an inherent weakness of the Bolivarian process. 'If Chavez were to stop doing his work due to a disease, an accident or an assassination, his project would collapse(...). There is neither an avant-garde nor a substitute leader yet.'"

- "Four Argentine opinions about a new model of nationalization"

Left-of-center "Pagina 12" carries four opinion pieces on the Venezuelan decision to nationalize telecommunications, electricity and oil companies. Fernando 'Pino' Solanas (movie director) opined 'The fact that a Latin American president withdrew the license from Radio Caracas Television, which has always been in favor of coups d'etat and censorship, is rewarding to all of us who believe in democracy and respect communication... TV channel licenses belong to the people not to corporations...'

"Atilio Boron (contributor): 'It is a very positive announcement. The outcome of privatization policies in Latin America is highly negative... Chavez is the most categorical expression of Latin American discontent with neo-liberalism. According to an opinion poll carried out in 18 countries, only 30 percent agree with the so-called neo-liberal market policies. This is the first step towards an alternative to the 20th century socialist model and it will be different from the Soviet experience.'

"Ricardo Sidicaro (contributor): 'I think it is interesting to strengthen the ability of the State to manage corporations that have certainly done worse in private hands. The failure of neo-liberalism has been proven beyond doubt... The only discourse of the 90s had closed the doors to new political options.'

"Leon Rozitchner: 'The market uncertainty is weird to me, as well as the headlines of some newspapers. This did not happen here when we suffered the ravage of privatizations, representing the purchase of the political power by the financial capital. The purchase of those "wills" was only possible due to a highly corrupted political power. It is disgusting to see the terror spread by some Argentine media before an act of justice from a government trying to recover strategic assets.'"

13. EDITORIALS

- "Kirchner distances himself from Louis XIV: 'We are capitalist"

Business-financial "Ambito Financiero" (01/11) reports "... The meaning of the term 'capitalism' for Argentine Interior Minister Anibal Fernandez remains to be seen, but what matters in any case is the (Argentine Government's) political gesture - the Minister of the Interior thought it was proper to clarify that the Argentine Government is capitalist...

"Therefore, the Argentine government officially voiced the Kirchner administration's attempt to free itself from socialist Hugo Chavez's megalomania - Chavez has become a sort of tropical Louis XIV."

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